

The interactions between clients and providers of services related to marketing activities

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ABSTRACT

The purpose of this paper is to analyze the business interactions involved in the purchase of services related to marketing activities. We build on the literature about business services classifications and the interaction between clients and providers of business services.

An empirical study is conducted by means of a survey questionnaire. Data were collected from a sample of 80 buying firms of services related to marketing activities who agreed to cooperate and represent medium and large Portuguese's firms.

The results show that the buying of services related to marketing activities involves both the client and the provider in the interaction process.

This paper contributes to understanding the interaction process of buying services related to marketing activities in terms of the parties involved, product/service exchange, financial and information exchange. Providers of services related to marketing activities can expect stable and preferred relationships if they can offer a good price and quality of service, meet the agreed deadlines and respond quickly to client orders. On the client's side, the relevance, the characteristics and the wide diversity of services related to marketing activities requires a good understanding and management of the interaction portfolio with providers.

Keywords: business services, marketing activities, buying interactions.

INTRODUCTION: BUYING SERVICES RELATED TO MARKETING ACTIVITIES

The purchase of services represents a substantial amount of total purchases in companies, which often accounts for more than half of a company's spend (Fearon and Bales, 1995; Bals and Hartmann, 2008). Given the importance of services and that the rules applied to product purchase do not hold when applied to the purchase of services (Wittreich, 1966), this field has been receiving increased academic attention (Axelsson and Wynstra, 2002; Wynstra et al., 2006; Walk et al., 2008, Valk and Rozemeijer, 2009; Walk et al., 2009).

In the complex diversity of services that firms buy are those related to marketing activities. In 2003, marketing spend amounted up to an average of 13.5% of total purchasing expenditures (Fearon and Bales, 1995; Barwise and Styler, 2003). Services related to marketing activities (SMAs) has been growing significantly in recent years and has become increasingly important (Tate et al., 2010). They are one of the most significant services acquired externally (Bals et al., 2009). Marketing activities, include a wide range of services, such as advertising services, media space buying services, direct marketing, market research, new media services (webmarketing, social media), printing services (brochures, leaflets, posters), event organizing services, trade fair logistics services, consulting marketing services, public relations services and telemarketing services. Include tactical and strategically activities, develop internally within marketing department and within others functions or externally the firms (Dibb et al., 2013).

The purchase of SMAs has recently received attention from both academics and practitioners. The authors mainly target the outsourcing of marketing activities and its benefits (ABA Bank Marketing, 2005; Duffy, 2005; Maddox, 2003; McGovern and Quelch, 2005; McHale, 2005; Mitzen, 1999; Morrall, 1995 and Sharma et al., 2009) or focus on the involvement of purchasing departments in SMAs procurement (Bals et al., 2007; Tate et al., 2009). Buying SMAs shouldn't be a simple process of purchase management, but a continuous management of the relationship with specialized suppliers. The relationships that a firm develops with their suppliers are considered a competitive advantage (Araújo et al., 1999). This should also be true for SMAs.

In firms from large to small, the marketing activities that companies buy rather than produce in-house are increasing in number and value. A 2004 study of 650 marketing executives from US firms related to technology, health and industry revealed that 53% of respondents intended to buy more than half of their marketing activities (McGovern and Quelch, 2005; Maddox, 2003). In relation to the strategic nature of MS, the study reported that 77% of enterprises preferred to strategically manage the brand internally but to buy strategic validation services (64%), market research (58%) and competition studies (42%) (Maddox, 2003). Regarding MS which are tactical in nature, the study indicates that companies mainly buy planning services and media buying (39%), email marketing (35%) and online and offline advertising (32%) (Maddox, 2003). A 2003 study conducted with executives of technological firms showed that the MS most purchased by firms are advertising and direct SMA (Maddox, 2003). The MS that firms buy are very diverse and include services such as market studies, strategic services, planning, advertising, public relations, direct marketing, internal communications, web marketing, media buying services and printing services. The SMAs purchase by firms is not new. What is new and considered a strategic innovation is the complete outsourcing of marketing activities, including tactical services and strategic services. To increase SMAs value, marketing managers have to become experts in attracting, developing and monitoring an integrated network of SMAs suppliers that bring new contributions to a firm's marketing effort (McGovern and Quelch, 2005). From this perspective, managers come to see SMA providers not only as subcontractors that need to be controlled, but as partners that can add value to business in a long-term relationship. In this new context the marketing manager has to play a new and very important role in managing the relationship with their SMAs providers. Over time and as relationships develop, SMAs purchase increases (Morrall, 1995).

The trend toward increased SMAs purchase is justified for several reasons. The literature highlights two key reasons: cost savings and increasing quality, and access to specialized marketing knowledge (ABA Bank Marketing, 2005; Maddox, 2003; McGovern and Quelch, 2005; Morrall, 1995).

- **Cost savings and quality improvement.** Firms that buy SMAs can save on technology and staff costs and have more time for business and strategic planning (Morrall, 2005). Many SMAs are contracted on a pre-set annual fee, which limits a firm's expenses. Studies show that costs are an important factor in the decision to buy SMAs (Maddox, 2003). For example,

American Express realized a saving of between 20 to 30% of customer service costs (Call Center), while gaining improved response time and increased customer satisfaction through buying SMAs (McGovern and Quelch, 2005). In the banking sector, medium and large banks allocate over 40% of their marketing budget to SMAs purchases (Morrall, 2005) and show time and cost saving on the order of 15% to 20% (ABA Bank Marketing, 2005). A sales call that cost about \$250 can be offshored to a telemarketer for a cost of less than \$10 (Sharma et al., 2009).

- **Marketing expertise access.** Many firms have limited internal marketing resources because they are of insufficient size to attract top experts and / or because their budget is too small to afford a multidisciplinary marketing team. The option of buying SMAs enables firms to overcome this obstacle and have access to specialized and more efficient knowledge (Morrall, 2005). For example, when Sony wanted to develop a customer database and sell their products in an online store it opted to buy the SMAs because it didn't have the internal knowledge or capacity to develop these projects (McGovern and Quelch, 2005).

Most SMAs require high levels of involvement in the relationship between parties, and specialized knowledge from the service provider. The decision to buy SMAs is frequent and involves a large number of activities and a large budget. Buyer and seller firms can fit their positions either to the type and characteristics of the services or to the seller or buyer with whom they will have to interact. The type of service and its characterization affects the nature of the relationship established between parties (Walk et al., 2009). The client-provider relationship is particularly relevant because services are typically produced through a process of interaction between buyer-seller (Grönroos, 2000) and specifically because SMAs can take on different characteristics and lead to different relationships between the parties. The type of service has an influence on the nature of the exchange. For example, in a personalized service provided over a long period of time there is greater emphasis on supplier stability, service quality, the service delivery process, collaboration aspects and alignment between customer demand and provider offer. On the contrary, in a standard service purchased once or infrequently the emphasis is mainly on issues of efficiency and price (Lehtonen and Salonen, 2005). The purchase of the latter is much more transactional, while the former has a larger relational character (Radkevitch and Valk, 2005).

The body of knowledge about SMAs purchasing and the interaction with providers is very limited. Given the importance of SMAs and the relationship between firms, this study aims to

fill a gap related to SMAs and client-provider interaction. We focus on the interaction process between the client and provider of SMAs. In exploring this question we hope to add to the knowledge relating to business services, SMAs and interactions.

The paper is organized as follows. In the first and second sections we present a literature review on the characteristics of SMAs and the interactions in the business services context. In the third section we present the framework for analysis, the research and results. The discussion is presented in section four. The paper ends with conclusions, limitations, and directions for future research.

THE CHARACTERIZATION OF SERVICES RELATED TO MARKETING ACTIVITIES

SMAs include a wide variety of services that firms choose to buy rather than do themselves. In this section we describe SMAs in terms of business service (BS) classifications, as was analysed by Axelsson and Wynstra (2002) and examine differences between the wide varieties of SMAs, based on exploratory research (Rodrigues and Proença, 2011).

Axelsson and Wynstra (2002) distinguish between short-term versus long-term services, standard versus non-standard services, simple versus complex services, fluctuating versus non fluctuating services and targeted at individual versus organizational services. Long-term BS includes services that are based on an annual supply contract and an annual payment at a fixed price within certain performance limits (Axelsson and Wynstra, 2002). Short-term BS includes services that are provided in a given period of time (Axelsson and Wynstra, 2002). Standard BS includes, for example, cleaning services (which specifies the areas to clean, precision and frequency) and school transport services (setting up detailed routes and times). A closely related distinction can be made between services that have substantial creative elements and those that are almost identical from one occasion to another (Axelsson and Wynstra, 2002). Examples of non-standard and creative services are those for financial advice and those related to communication campaigns. The services modules can also be considered as non-standard services. BS can be classified into simple or complex (Axelsson and Wynstra, 2002). This classification does not coincide with the previous classification, i.e., simple services are not the same thing as standard services, nor are complex services the same as non-standard (Axelsson and Wynstra, 2002). For example, a cleaning service at a given time can lead to a complex service, such as cleaning up a lab with many dangerous products, which

requires highly experienced professionals. BS may have fluctuating or non-fluctuating demand (Axelsson and Wynstra, 2002). Finally, the BS may be directed toward an individual or an organizational target (Axelsson and Wynstra, 2002). This feature allows distinguishing the services oriented to the employees of an organization and services oriented to the organization as a whole. Examples of these are medical services for employees, company auditing and advertising services.

These dimensions were used to classify and characterize SMAs in an exploratory study (Rodrigues and Proença, 2011). The authors connect advertising services, trade fair logistics services and new media services, with complex, non-standard and creative services. In turn in this research, media space buying services, printing, production of material services and event logistics services were considered as simple, non-creative and standard. Axelsson and Wynstra (2002) classified services between routine and professional services and Walk et al. (2005) discussed commodity services versus value-added services. Routine services are relatively low in complexity, are relatively simple, are standard and can be well defined and measured objectively. Professional services are characterized by high-knowledge content and often they are very important to growing a customer's business (Axelsson and Wynstra, 2002; Walk et al., 2005). Professional services delivery is largely customized for a given situation. Development takes place in customer projects through learning with and from each other, by using existing knowledge and methods and creating new ones. The supplier's ability is one of the most important determinants of success; people are the most important resource. Therefore, it is important that there is a certain 'chemistry' between individual members of the buying and supplying organizations (Walk et al., 2005). Buying companies can assess a supplier's skills and capabilities (Walk et al., 2005) through customer references. SMAs have some similarities with professional services (Axelsson and Wynstra, 2002; Rodrigues and Proença, 2011). However, it is not difficult find SMAs that share characteristics of routine services, for instance, buying media services (Rodrigues and Proença, 2011).

Finally, BS can be classified using research and frameworks of the industrial marketing area, such as Häkansson (1982). Axelsson and Wynstra (2002) and Wynstra et al. (2006) are rooted in the buyer's use of services, which is based on the idea that a service purchase depends on the service application from the buyer. These researchers identify four services types: component services, semi-manufactured services, instrumental services and consumption services (Wynstra et al., 2006). Component services are provided to the customer without being processed by the purchasing company (Wynstra et al., 2006). Semi-manufactured

services include services that are processed by the buying firm prior to being provided to their customers (Wynstra et al., 2006). Instrumental services are used in the purchasing company and change their work processes (Wynstra et al., 2006). Consumption services are used in the purchasing firm but do not alter the work processes (Wynstra et al., 2006). Some SMAs may be regarded as instrumental services, such as services related to event logistics, trade fair logistics services and media buying services, or as component services such as advertising services and printing services (Rodrigues and Proença, 2011).

THE INTERACTION PERSPECTIVE IN THE BUSINESS SERVICE CONTEXT

Organizational buying usually takes place within the context of a formal organization and involves many people in the decision making process, with complex interactions between people and between individual and organizational goals (Webster and Wind, 1972). In this section we discuss the interaction between client and provider in the context of business services. For this we present the perspective of the IMP group and their approach to the context of services.

In the view of the IMP (Industrial Marketing Purchasing) group, the relationship between parties should be seen less from a "transaction" perspective of a buying process and more in terms of a continuous interaction between customer and supplier (Anderson *et al.* 1994; Araújo *et al.*, 1999; Häkansson, 1982, Häkansson and Snehota, 1995). The purchase is an interactive process that cannot be studied in isolation from the sale.

In the IMP group interaction model outline, in the context of industrial goods there are four key aspects (Häkansson, 1982). First, both buyer and seller are active participants in the market. Each seeks the ideal partner to build a relationship with and each expects to manipulate or attempt to control the interaction. Second, the buyer-seller relationship is often close and long-term, and involves a pattern of interaction between and within each party. Third, the buyer-seller connections often become institutionalized into a set of roles that each party expects the other to play. This process requires significant adjustments in the organization or operations of each party. Thus, this relationship may simultaneously involve conflict and cooperation. The fourth point states that close relationships are often associated

with a context of continuous supply of raw materials or components. Even so, a good relationship between two parties can be built during a short period of intense exchange.

The interaction model represents a broad conceptualization of the variables that affect the form and content of the buyer-seller relationship. The interactive approach involves the analysis of four groups of variables and the connection between them. One set of variables describes the parties involved, i.e. both organizations and individuals. Another group describes the elements and interaction process. Another describes the atmosphere variables that affect and are affected by interaction. The final group describes the environment in which the interaction occurs. Each group of variables that make up the interaction model, i.e. the interaction process, the interaction parties, the interaction general environment and the atmosphere of interaction are detailed by Häkansson (1982).

Wynstra et al. (2006) and Walk et al. (2009) research services based on the purchasing firm's application of services (component service, semi-manufactured services, instrumental services and consumption services) and investigate various dimensions of the interaction model. The authors identify patterns of buyer-seller interaction for each service type. Although this study is focused on the buyer's position, this characterization has important implications for both sides of the interaction. Buying firms may adopt different stances depending on the service provider type. Sellers can also fit their approach to clients and according to the use of the service purchased by the customer. According to this classification, the service application will determine the structural aspects of buyer-seller interaction in terms of the objectives and customers/suppliers representatives (Wynstra et al., 2006). Valk et al. (2008) incorporated two dimensions in the process analysis of buyer-seller interaction related to the adaptation and communication processes. Adaptation refers to the changes or investments from the parties to facilitate collaboration between buyer-seller (Valk et al, 2008). Communication refers to the main topics of discussion between buyer-seller. This dialogue particularly reflects the key objectives of the interaction between both (Valk et al., 2008).

THE RESEARCH

In this section, based on the literature review and the objectives of this study we present the research setting, the framework for analysis, the methodology and the results.

Research setting and framework for analysis

The literature focuses its attention mainly on business services as a whole (Axelsson and Wynstra, 2002; Valk et al., 2008, 2009), or on a type of service. For instance, advertising (Wackman et al, 1987; Halinen, 1997; Lichtenthal and Shani, 2000), direct marketing (Reis, et al., 2009, 2010), consulting (Mitchell, 1994), auditing (Levinthal and Fichman, 1988), accounting (Yorke, 1990), IT (Blumenberg et al., 2008) and financial services (Proença and Castro, 2004). SMAs are highly important for firms and involve diverse interaction with their providers. Even so, the existing studies are limited. The buying of SMAs involves the parties in an interaction process that needs to be better understood. The interaction between clients and providers has an effect for the dyad that results from the combinations of activities, resources and actors of the two parties (Häkansson and Snehota, 1995). The results of interactions are unique (Häkansson e Snehota, 1995) and there is a lack of empirical evidence on how the parties interact in the buying of SMAs.

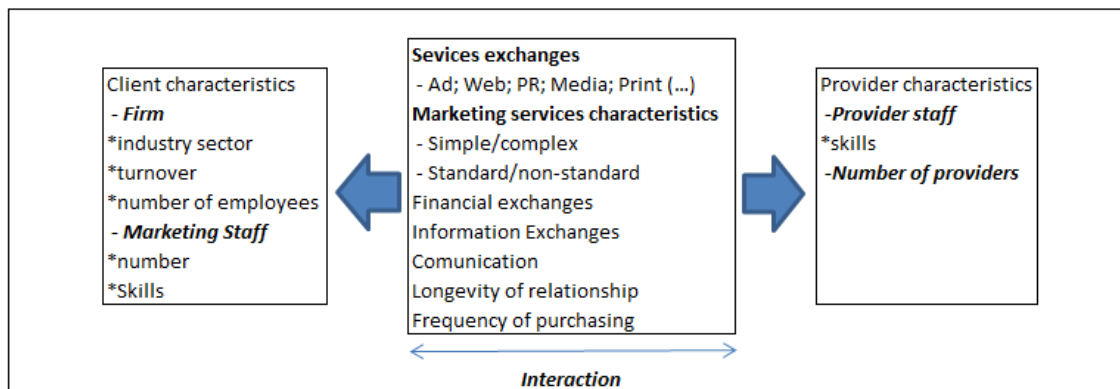
The objective of the study was to investigate the interactions between clients and providers of SMAs in two dimensions:

- (1)The parties involved in the purchase of SMAs.
- (2)The characteristics of the interaction process between clients and providers of SMAs.

To respond to these objectives and based on a literature review, we present a framework for this study (Figure 1). We used an interaction model to understand the interactions between clients and providers of SMAs, because this is a dynamic approach aimed at the relationship itself, and it allows an analysis of both parties in the relationship and the interaction process, as well as being advised in the context of business services (Castro *et al.* 2005; Woo and Ennew, 2005) such as the relationship between clients and providers of SMAs.

We start with a presentation of both parties involved in the interaction and we discuss the interaction process. According to the Interaction Model (Häkansson, 1982), exchange involves products/services exchange, financial exchange, information exchange and social exchange. The buying of SMAs involves the parties at various interaction moments where they share services, money, information and social moments.

Figure1: Framework for analysis the dimensions of interaction between client and provider of services related to marketing activities (from authors)



Methodology

Based on the research model an empirical study was conducted in Portugal, in October and November of 2011. The sample for this study was selected randomly from a database of the 1000 largest Portuguese firms in terms of turnover (INE, 2009; Exame, 2010). These firms operate in different activity sectors and have great potential to invest in marketing. Possible respondents were contacted by email and/or by telephone. We validated 80 responses. Sixty of them were obtained by email and twenty by phone. The research involved great effort: there were more than 200 phones calls and more than 700 emails, which also shows a low response rate. Questionnaires were made to the marketing director or employee who is responsible for marketing activities in the buying firms.

The questionnaire for the study was designed based on a previous exploratory study (Rodrigues and Proença, 2011) and on the research model. The preliminary questionnaire was conducted with a small number of buying firms, chosen for convenience, i.e. firms which we have contacted in previous research or we are nearest to, and after discussion about the questionnaire content with academics. The preliminary version was improved in terms of the order and appropriateness of the questions. The final questionnaire contained twenty-three closed questions and took about twenty minutes to complete.

The results of study are presented in the next section.

Results

We present the results of this study in two steps, first the characteristics of the parties involved in SMAs purchasing and second, the interaction process between the client and provider of SMAs. Relationships among these variables were analyzed by means of descriptive statistics, of chi-squared independence tests, the Pearson coefficient and a bivariate correlation analysis, using Software Package for the Social Science (SPSS).

The parties involved in purchasing of services related to marketing activities

Table I summarizes the characteristics of clients involved in purchasing of SMAs. To examine these characteristics we analyze the firms and marketing staff. Most respondents are medium and large firms in the industry (49%) and service (51%) sectors. The turnover of 69% of respondents is between €20,000 and €99,999,999 and 55% of firms have at least 250 employees. Marketing departments are not large. Most firms (65%) have a marketing staff of 4 or fewer employees. The results show that the marketing staff (2 or 3 employees) involved in the process of buying SMAs have specific skills.

Table I: Characteristics of Clients (adapted from SPSS)

Activity sector		Number of employees	
Industry	49%	Up to 49	9%
Services	51%	50 to 249	36%
		Over 249	55%
Turnover		Marketing staff (n° of employees)	
€20,000,000 to €99,999,999	69%	Up to 4	65%
€100,000,000 to €199,999,999	15%	5 to 9	24%
Over €199,999,999	16%	Over 9	11%
Turnover*Marketing Staff: Pearson Corr.=0.245 Sig.=0.038			
Turnover*N° of employees: Pearson Corr.=0.306 Sig.=0.006			

The results show a positive relationship between turnover and size of the marketing department (sig=0.038) and between turnover and the number of employees (sig=0.006). These results suggest that larger firms have a large number of employees and large marketing departments'. However, we don't find a statistically significant relationship between size of the marketing department or the number of employees and activity sector.

Table II shows provider characteristics. The results show that firms have a reduced number of providers. The mode value is 1 provider for most services, except for printing services (mode=5 providers), trade fair services and market research services (mode=2 providers). From the client's perspective, the providers of SMAs staff have specific skills too. For more than 40% of respondents a good marketing service provider meets deadlines (40% of respondents agree), provides good quality service and offers a good price/quality relationship. Variables such as the supplier's image, size or informality between the parties are not considered to be important.

	Advertising	Buying media services	Printing	Web marketing	Consulting	Market research	Events	Trade fairs	Public relations
Mode	1	1	5	1	1	1 and 2	1	2	1
Frequency	33%	56%	32%	74%	50%	43% and 43%	35%	35%	100%

Interaction between clients and providers of SMAs involves parties at various exchange moments. Interactions are analyzed in terms of products/services exchange, financial exchange, information exchange and communication between clients and providers of SMAs (see Table III).

	Services purchased	Number of firms that consider the type of marketing service one of the 3 most important services	Annual fee(A)/Contract an individually service(P)/Mix(M)	Simple(S)/Complex(C)	Standard(Z)/Non-standard(Y)	Purchase frequency	Information exchange	Communication	Longevity of relationship
<i>Statistic</i>	% of respondents	<i>Frequency (n)</i>	<i>Mode/Frequency</i>	<i>Mode/Frequency</i>	<i>Mode/Frequency</i>	<i>Mode</i>	<i>Mode</i>	<i>Mode</i>	<i>Mean</i>
Advertising	78%	50	P (n=32)	S (n=33)	Y (n=37)	Monthly	Medium and high	Normal	3 or less than 4
Media space buying	50%	26	P (n=14)	S (n=14)	Y (n=18)	Quarterly	Medium	Normal	3 or less than 4
Printing	94%	56	P (n=49)	S (n=38)	Y (n=41)	Monthly	High	Easy	4 or less than 5
Web Marketing	71%	19	P (n=8)	C (n=11)	Y (n=18)	Annual	High	Easy	3 or less than 4
Consulting	24%	4	P (n=2)	C (n=3)	Y (n=4)	Monthly	Medium	Normal/Easy	4 or less than 5
Market Research	46%	14	P (n=11)	C (n=8)	Y (n=12)	Monthly	Medium	Normal	4 or less than 5
Telemarketing	18%	0	-	-	-	-	-	-	-
Events	53%	24	P (n=20)	S/C (n=12)	Y (n=20)	Annual	High	Normal	2 or less than 3
Fairs Trades	56%	20	P (n=19)	C (n=13)	Y (n=13)	Annual	Medium	Normal	3 or less than 4
Public Relations	39%	8	A (n=8)	S (n=5)	Y (n=7)	Monthly	High	Normal	3 or less than 4
The majority of marketing services	Printing and web marketing services	Printing and space in the media services	Contract an individual service	Simple or complex	Non-standard	Monthly	Medium or high	Normal	3 to 5 years
Marketing budget (% of turnover)			Till 2,5%: 78,3%;	2,6% to 5%: 13,0%;	Over 5%: 8,7%				
Marketing external expenditures (% of marketing budget)			Till 40%- 51%:	41% to 80%: 33,3%;	Over 80%: 15,7%				

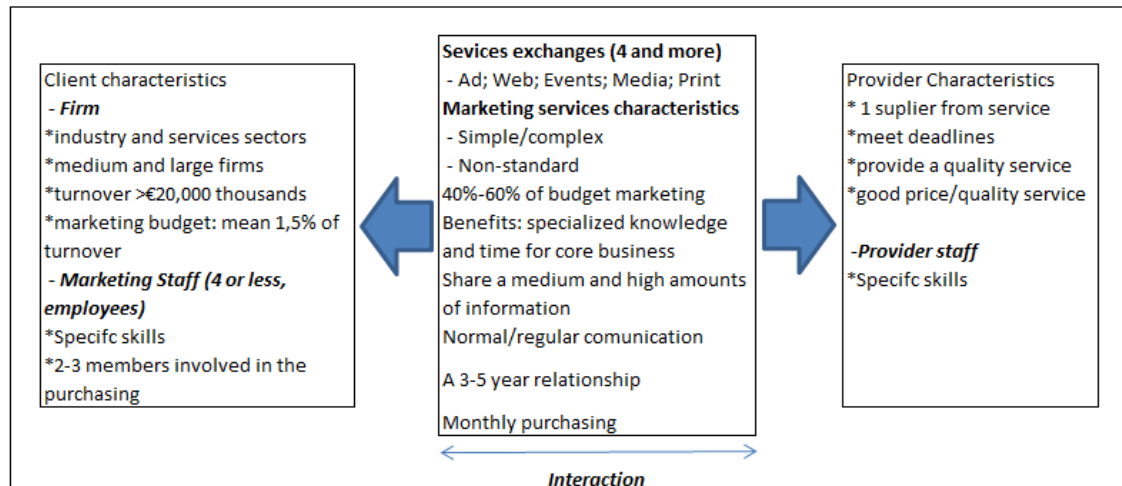
In services exchanges, the results show that respondents buy a wide range of SMAs. Only two respondents buy one SMAs and 77% of respondents buy four or more. The mean number of different SMAs purchased is five services. In most cases SMAs are contracted individually. In their internal characteristics, SMAs are considered as non-standard services, and simple or complex.

It was not possible to clarify the content the information exchange, but the results suggest that clients and providers exchange large quantities of vital information in the purchase of advertising services, printing services, new media services, event organizing services and public relations services. In other cases, the information exchange is considered normal, i.e. similar to the information exchange with other providers. Results show the client and provider communicated on a normal basis, i.e. they understand each other easily. We can presume that the large quantity of information exchanged contributes to easy or normal communication, however, despite the negative correlation between variables, it is not statistically significant. The results show that 78% of respondents (N=46) spend less than 2.5% of turnover on marketing activities, 13% spend between 2.5% and 5%, 9.7% of respondents spend more than 5%. In the financial exchanges 51% of clients spend less than 40% of their marketing budget on the purchase of SMAs and 49% of respondents spend 40% or more. The main reasons for spending on SMAs are: access to specialized knowledge and more time for core business. We find a positive correlation between marketing budgets and expenditures on SMAs purchases (sig.=0.000). However, we can't assume that firms with a large turnover have increased their marketing budget and spend more on SMAs than others. The results suggest that financial exchanges can involve a lot of money and firms with large marketing budgets invest more in the purchase of SMAs. The results also show that firms with increased turnover and increased budgets purchased a wide variety of services (sig=0.013 in the two Pearson correlation analyses).

Finally, the buying of SMAs involves the parties at various interaction moments in several exchanges. Service, money or information exchanges occur with high frequency. Most services have a long monthly purchase frequency. The mean longevity of a relationship with suppliers is between 3 and 5 years. The results shows that the greatest longevity with suppliers (over 5 years) is found in the printing services (41%), advertising services (39%), trade fair services (32%) and media space buying services (29%). For instance, 41% of clients who purchase printing services have a relationship with their main supplier for more than 5 years.

In summary, Figure 2 represents the interaction exchanges between clients and providers of SMAs, in Portugal.

Figure 2: Interactions between clients and providers of services related to marketing activities (from authors)



DISCUSSION

The research found interesting data toward a better understanding of interactions between clients and providers of SMAs. Some of our findings are consistent with previous studies and others are different.

The research indicates that the activity sector does not distinguish the investment in marketing activities. This shows an evolution from a few years ago, where marketing functions appeared to be less structured in service companies than in manufacturing firms and service firms appeared to have lower marketing expenditures (Georges and Barksdale, 1974). Likewise, Fearon and Bales (1995) research shows that SMAs have greater importance in industrial firms.

The reduced size of marketing staff is not surprising and is consistent with the trend over the last decade. For efficiency and productivity reasons, large firms have reduced their marketing staff (Webster et al, 2005). Similar results can be found in Ukraine and Belgium, for instance (Dens et al., 2006, Akimova, 1997).

The research shows that firms buy a wide range of SMAs, which supports research done in other countries (Maddox, 2003; McGovern and Quelch, 2005; Dunn, 2006; Urbonavičius and

Dikčius, 2009). We found no intention to increase investment in the purchase of SMAs, which differs from other studies that predicted the purchase of SMAs will increase (Morrall, 1995; Maddox, 2003; McGovern and Quelch, 2005; Dunn, 2006; American Marketing Association and Aquent, 2010). Nevertheless, our research supports Dens et al. (2006), who found a trend in Belgian companies toward not outsourcing their marketing and communication activities (Dens et al., 2006). McKinsey & Company (2002) suggest firms are doing more and spending less in marketing activities.

The relationships between client and provider of SMAs share the same characteristics between different firms. Their relationships are medium and long term. Even in printing services, the relationship is long term.

In the characterization of individual SMAs, we found dimensions that are shared by all services, such as non-standard services, or creativity. Others are different according the type of service, such as simplicity and complexity of the service. Interestingly, services related to advertising activity were considered to be simple services, which is not in accordance with the theoretical classification (Axelsson and Wynstra, 2002) and previous research (Rodrigues and Proença, 2011).

Most SMAs share characteristics of professional services, such as customization, which is consistent with a previous study (Rodrigues and Proença, 2011) and classification by other authors (Wynstra and Axelsson, 2002; Walk et al., 2005). SMAs in general are customized, creative and developed by providers with specific knowledge (Wynstra and Axelsson, 2002; Walk et al., 2005). Concerning the use of services by the clients, SMAs have elements of both instrumental services and component services, which agrees with Valk (2007).

Finally, having access to specialized knowledge and releasing a company to pursue its core business are significant motivations for the purchase of SMAs. This is consistent with the literature (Morrall, 1995; ABA Bank Marketing, 2005; McGovern and Quelch, 2005).

CONCLUSION

This research contributes to the knowledge of buying SMAs and the nature of the relationships involved in the SMAs business. Our purpose was not to test theory but to achieve a deeper understanding of the parts and interactions between clients and providers of SMAs. This paper has analyzed and discussed the interactions between clients and providers

of SMAs. We show who the parties involved in the purchase of SMAs are, and characterized the interaction process between clients and providers of SMAs.

The research highlights the difficulty in drawing a single conclusion on the client-provider interaction due the wide diversity of SMAs. We conclude that clients and providers of SMAs are usually involved in limited but intense, rich interactions. They trade in a large variety of SMAs, where a big budget and information exchange between the parties are involved. More important than typifying the wide range of SMAs is understanding the interactions that occur based on their exchange.

The research shows that clients are willing to buy SMAs to free up resources for their core business and to have access to specialized knowledge. Clients expect compliance with deadlines and good quality services at a fair price from providers. Accordingly, SMAs providers can expect long-term relationships and repeat business. Their clients, due to the importance of marketing, are interested in long-lasting relationships with good providers.

LIMITATION AND FURTHER RESEARCH

This research is based on the buying of SMAs from large Portuguese firms. We are sure that these firms are involved in the purchase of more SMAs and interactions with their providers, than small firms are, however, care must be taken to avoid generalizing the results. Despite the fact that quantitative research is good for addressing who, what, where and when an interaction occurs; we feel there is a lack of a qualitative research for addressing the ‘why’ of these interactions. A qualitative study would allow a better understanding of the nature and dynamics of interactions between clients and providers of SMAs. We will select a restrict number of client firms and their SMAs providers and study the interactions between them in-depth. These firms will be selected according to their size, activity sector and range of SMAs, which they buy. It would also be interesting to study the provider’s side and whether the results in Portugal are confirmed in other countries. Future studies should pursue a deeper understanding of the nature and dynamics of interactions between clients and providers of SMAs.